

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

# The SamCERA Times

[www.samcera.org](http://www.samcera.org)

ACTIVE MEMBER EDITION

Spring 2013

## SamCERA Retirement Board Elections For General Member Seat

### Inside This Issue

SamCERA will hold elections for the third position general member seat on the Board of Retirement. The two retiree seats—the eighth position and the eighth position alternate—will also be open for election.

Each candidate for the general member position shall be nominated by a petition signed by not less than ten (10) active general members of the San Mateo County Employees' Retirement Association.

The third position general member will serve from July 2013 – June 2016.

#### **Required Nomination Petitions & Declarations of Candidacy:**

These forms will be available and can be circulated beginning Monday, April 15, 2013, through Monday, May 6, 2013. Qualified Candidates must obtain petitions in person at the County Elections Office, 40 Tower Rd., in San Mateo.

**Completed Nomination Petitions & Declarations of Candidacy:** These completed forms must be filed in person with the County Elections Office no later than 5:00 p.m. on May 6, 2013.

Please call the Elections Office at 312-5222, if you have any questions or wish to make an appointment to take out Candidacy Papers.

The election will be held on Monday, June 10, 2013, and will be conducted in accordance with Article 3 of the *Regulations of the Board of Retirement*. These regulations are available at the Elections Office or on SamCERA's website at: [www.samcera.org](http://www.samcera.org).

## Learn How to Manage Your Money with SamCERA's Free Classes

Seats are still available for upcoming sessions of SamCERA's popular financial education series.

A limited number of seats are available for each class, so hurry—because open seats won't last long. Some of our more popular offerings are fully booked in less than a week.

You can register for classes through the LMS "My Personal and Health and Well-Being (Private) Site," or go to [www.samcera.org](http://www.samcera.org) for more information—including class listings and step-by-step instructions on how to register.

As always, our classes are free of charge and "conflict free," too—this means you won't get a sales pitch from the instructors. What you will get is unbiased financial planning advice from experienced professionals.

## Upcoming Classes

### How to Achieve Your Financial Goals

April 29, 2013

Location: 455 County Center, Room 101, Redwood City

Time: 10:00 am – noon (2 hours)

### Investing Basics

April 29, 2013

Location: 455 County Center, Room 101, Redwood City

Time: 2:00 pm – 4:00 pm (2 hours)

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## Cost of Living Adjustment (COLA) for Early-2013 Retirees

SamCERA members who retired on or before April 1, 2013, will receive a Cost of Living Adjustment (COLA) this year between 2.0% and 2.5%. The COLA amount will be added to the base benefit amount, thus increasing the total monthly benefits.

The amount of the COLA retirees receive will depend on the retirement plan. The COLA for Plans 1 and 2 is 2.5%, while the COLA for Plans 4, 5 and 6 is 2.0%. Plan 3 provisions do not provide for a COLA.

This year's COLA is due to a modest inflation rise in 2012. SamCERA's COLAs are calculated according to California law, which requires them to be based on the change in the annual Consumer Price Index (CPI) for the San Francisco-Oakland-San Jose area (as determined by the Federal Bureau of Labor Statistics). COLAs can increase or decrease depending on whether the Bay Area experiences inflation or deflation, but your pension will never go below the basic benefit allowance you receive when you retire.

If you're considering retirement next year, be sure to start the process early. If you want to be able to take advantage of next year's COLA, if any, you must retire on or before April 1, 2014. Remember -- it takes time to process retirement applications. So if you want to retire before April 2014, contact SamCERA in advance so you can submit your forms in February 2014.

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## Your Interest Rate Credit for 2012

SamCERA member accounts earned a total of 1.50% interest last year. This includes 1.24% interest credited at the end of December, and 0.26% credited at the end of June.

The interest your SamCERA account earns is tied to the performance of the SamCERA investment fund, which was valued at \$2.56 billion at the end of 2012.

While SamCERA's fund has posted a modest return of more than 11% over the previous two fiscal years, these gains—as well as recent losses from the recession—are smoothed out over the long-term to minimize the impact of volatility on the fund. Because of this smoothing, we're still paying for the

down years of the recession. That's why the interest credited to member accounts typically doesn't match the investment fund earnings for a given year.

### **A Note About Account Balances**

The main use of account balances is for payouts to members who terminate and take a refund of contributions. If you retire and receive a lifetime retirement benefit, it will not be based on your account balance. Your retirement benefit will be based on your years of service, your age at retirement, and your final average compensation.

Your account balance will always be equal to your contributions plus the interest credited. Interest is credited twice a year—once on June 30, and again on December 31. No matter what happens to the economy, your account will not decrease nor will it be credited with more interest than the annual amount the fund is expected to earn—known as the fund's "assumed earnings rate"(currently 7.5%).

Additionally, keep in mind that you cannot borrow money from your account at any time, and you cannot withdraw your employer's contributions under any circumstances. You will benefit from your employer's contribution when you retire from SamCERA.

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## **SamCERA Runner-Up for Pension Fund Award**

SamCERA was recently recognized as a runner-up for Small Public Plan of the Year by *Money Management Intelligence*—a publication which covers the pension industry.

SamCERA was nominated based on interviews and input from across the public fund investing community. SamCERA's nomination is an honor that reflects industry-wide recognition of the plan's accomplishments during the past year.

The winner in SamCERA's category was the San Antonio Fire and Police Pension Fund.

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## **Pension Legislation FAQ**

The California Public Employees' Pension Reform Act (PEPRA) went into effect on January 1, 2013. But what does it mean for you? Read SamCERA's [PEPRA FAQ](#) for more information.